

IRS News Release

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Additional Ford Hybrid Vehicles Certified for Tax Credit

IR-2006-165, Oct. 20, 2006

WASHINGTON — The Internal Revenue Service has acknowledged the certification by Ford Motor Company that two of its 2005 vehicles meet the requirements of the Alternative Motor Vehicle Credit as qualified hybrid motor vehicles. The tax credit for hybrid vehicles applies to vehicles purchased on or after January 1, 2006.

The hybrid vehicle certifications recently acknowledged by the IRS and their credit amounts are:

- Ford Escape 2 WD Hybrid Model Year 2005 \$2,600
- Ford Escape 4 WD Hybrid Model Year 2005 \$1,950

The 2006 Model Year Ford Escape Hybrid front wheel drive and 4 WD models previously were certified in the amounts of \$2,600 and \$1,950 respectively.

Consumers seeking the credit may want to buy early since the full credit is only available for a limited time. Taxpayers may claim the full amount of the allowable credit up to the end of the first quarter after the quarter in which the manufacturer records its sale of the 60,000th vehicle. For the second and third calendar quarters after the quarter in which the 60,000th vehicle is sold, taxpayers may claim 50 percent of the credit. For the fourth and fifth calendar quarters, taxpayers may claim 25 percent of the credit. No credit is allowed after the fifth quarter.

The total number of qualifying Ford hybrid vehicles reported sold as of June 30, 2006, was 11,885. Therefore, purchasers of Ford's qualified vehicles may continue to rely on the previously issued IRS certifications under Notice 2006-9 concerning the vehicle's qualification for the credit.

More information on hybrid vehicles and other alternative motor vehicles can be found on the IRS web site at www.irs.gov.